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The decision was based upon the principle that this was a valid contract capable of enforcement because defendant had power to purchase its own shares. There was no evidence given in the case that there were any other creditors than the plaintiff, so the decision is in accord with the majority American rule that corporations, when no creditors' rights intervene and no statute expressly or impliedly restricts them, may purchase their own stock. *Chapman v. Ironclad Rheostat Co.*, 62 N. J. L. 497; *Blalock v. Kernersville Mfg. Co.*, 110 N. C. 99; *Johnson County v. Thayer*, 94 U. S. 631; *Fremont Carriage Mfg. Co. v. Abbot*, 65 Neb. 370, 91 N. W. 376; *Dock v. Schlichter Jute Cordage Co.*, 167 Pa. St. 370; *San Antonio Hardware Co. v. Sanger* (Tex. 1912), 151 S. W. 1104; *New England Trust Co. v. Abbott*, 162 Mass. 148, 38 N. E. 432. Some states hold that an express grant of the power to the corporation is necessary except where the taking of shares is in exchange for debt due the corporation. *Coppin v. Greenlees R. Co.*, 38 Ohio St. 275; *Hamor v. Taylor-Rice Engineering Co.*, 84 Fed. 392; *Abeles v. Cochran*, 22 Kans. 405, 31 Am. Rep. 194; *St. Louis Carriage Mfg. Co. v. Hilbert*, 24 Mo. App. 338. The English courts hold that a corporation cannot purchase its own stock even as part of an agency contract as in the principal case. *Re Walker*, 57 L. T. N. S. 763; *Trevor v. Whitworth*, 12 App. Cas. 409; *In Re London H. & C. Exch. Bank*, L. R. 5 Ch. 444.

CORPORATIONS—WHO ARE STOCKHOLDERS?—TRANSFER OF TRUST CERTIFICATES.—The owners of a town-site conveyed the land to trustees, the land being represented by 1,000 shares of joint stock for which certificates were issued to purchasers. The purchasers later formed a joint stock company and the land was conveyed by the trustees to the directors thereof. A corporation having been subsequently formed under an Act of Incorporation providing that "the stockholders in the Galveston City Company be and are hereby incorporated under the same name and style," the stockholders then passed a resolution that the holders of trust certificates should be required to file and register them, receiving in lieu thereof a certificate of stock in the corporation and such transfer should be necessary to enable stockholders to vote and receive dividends. The trustees continued to issue trust certificates and both these and certificates for shares in the corporation were acceptable in payment for lots sold. In a suit by the holders of trust certificates to establish themselves as stockholders in the corporation and to recover dividends it was *held* that they were stockholders and entitled to dividends. *Yeaman v. Galveston City Co.* (Tex. 1914), 167 S. W. 710.

The court based its decision upon the statute saying that the act of incorporation being directed to the stockholders of the joint stock company and being for their benefit it would be presumed that it was accepted by them and hence they became ipso facto stockholders in the corporation regardless of whether they transferred their certificates or not. A certificate is not essential to membership in a corporation, *Fulgam v. Macon, etc. Ry.*, 44 Ga. 597; *Cartwright v. Dickinson*, 88 Tenn. 476; but the relation of stockholder and corporation being a contractual one, (*Butler University v. Scoonover*, 114 Ind. 381) the acceptance by the corporation is necessary, *American Live*

Stock Commission Co. v. Chicago Live Stock Exchange, 143 Ill. 210; *Starret v. Rockland Insurance Co.*, 65 Me. 374, and also the acceptance by the stockholder is necessary, *Ellis v. Marshall*, 2 Mass. 269. The acceptance of the corporation may be implied in the principal case from the facts that the act of incorporation was directed to the stockholders in the joint stock company and the issuance of trust certificates after the corporation came into existence, such certificates being acceptable in payment of lots sold. The acceptance of the stockholders may be implied from the facts that the act was directed to them and was for their benefit and they never repudiated it but now seek to enforce the relationship. There being an executed contract the stockholders of the joint stock company became stockholders in the corporation and the corporation could not expel them unless the power had been expressly conferred in their charter, which was not done. *In Re Long Island Ry. Co.*, 19 Wend. (N. Y.) 37, 32 Am. Dec. 429. The complainants being valid stockholders were entitled to dividends and the corporation could not make any discrimination or otherwise deprive them of their rights. *Jones v. Terre Haute & Richmond Ry. Co.*, 57 N. Y. 196.

COVENANTS—BUILDING RESTRICTIONS.—A property owner sued on a building covenant forming part of a general scheme, after having failed to exercise his right for a considerable time, during which time many buildings had been built contrary to the provisions of the covenant. *Held*, he could not enforce the covenant in equity, his remedy being limited to an action at law. *Ocean City Land Co. v. Weber* (N. J. 1914), 91 Atl. 600.

The principal case illustrates the reluctance of courts of equity to enforce a building restriction where the complainant's failure to exercise his right has led to such a violation of the covenant that it may be appropriately said to be abandoned. The restriction will be enforced where it would be equitable in the particular case. This is the weight of authority. *Trout v. Lucas*, 54 N. J. Eq. 361, 35 Atl. 153; *McCue v. Raston*, 9 Grat. (Va.) 430; *Gaxter v. German Roman Catholic Church, etc.*, 147 Pa. 313, 23 Atl. 452; *Flint v. Charman*, 6 N. Y. App. Div. 121; *Roper v. Williams*, 1 Turn. & R. (12 Eng. Ch.) 18; *Peck v. Mathews* (1867), L. R. 3 Eq. 515. The covenantee's remedy in such cases must be sought in a court of law. *Ocean City Ass'n. v. Headley*, 62 N. J. Eq. (17 Dick.) 322, 334, 50 Atl. 78.

CRIMINAL LAW—"INVOLUNTARY" CONFESSION AS EVIDENCE.—Defendant, convicted of murder, assigned as error the admission in evidence of a confession made by him to a newspaper man, who paid him three visits while he was in jail and talked to him about religious matters, told him that his only hope was salvation, and said to him, "I am a Spiritualist, and I can look down in your black heart and see this diabolical crime you committed at midnight the other night." *Held*, that the confession was not voluntary and should have been excluded, (SMITH, C. J., dissenting.) *Johnson v. State* (Miss. 1914), 65 So. 218.

The court, in the majority opinion, discussing the meaning of the word "spiritual" as used "to define hopes and fears which may be held out to